

TOBY L. PLEVIN  
ATTORNEY AT LAW  
6380 WILSHIRE BLVD., SUITE 1600  
LOS ANGELES, CALIFORNIA 90048

(213) 655-3183

March 6, 1990

Second District Court of Appeals  
Division 4  
3580 Wilshire Blvd  
Los Angeles,  
California 90010

ATTENTION: Frank Stapleton

Re: Church of Scientology  
of California vs.  
Gerald Armstrong  
Appeal No. B 038975 (Div 4)  
Appeal No. B 025920 (Div 3)

Dear Mr Stapleton:

The undersigned counsel for Bent Corydon are responding to your inquiry regarding the circumstances relating to the document filed by Mr. Gerald Armstrong, on March 1, 1990 in Appeal No B 038975. Attached to that document was a Settlement Agreement regarding Armstrong's cross-claim in Church of Scientology of California vs. Armstrong LASC Case No. C 420153. It has also been filed in Division 3 of this Court of Appeal in connection with another appeal arising from the same underlying lawsuit.

The appeal in Division 4 arises from an order unsealing the Superior Court files in this case in response to a motion brought by Mr. Corydon. Mr. Corydon is in litigation with the Church of Scientology of California and other Scientology entities and individuals (hereinafter "Scientology"). The appeal in Division 3 is an appeal by the Church of Scientology of California and the Intervenor in the underlying case, Mary Sue Hubbard, from Judge Breckenridge's 1984 decision in favor of Mr. Armstrong in connection with the underlying complaint. In order to respond to your inquiry, we must briefly review the background to the present appeals.

The lawsuit was brought by the Church of Scientology of California against Mr. Armstrong for conversion arising from his possession of various personal papers and other archive documents of L. Ron Hubbard. Mr. Armstrong had access to these documents as the archivist for L. Ron Hubbard while he was still a member of the Church of Scientology. In due course Mr. Armstrong filed a cross-complaint against Scientology alleging a variety of grounds arising from his tenure in Scientology including, inter

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alia, intentional infliction for emotional distress. The matter was bifurcated, and, in a 1984 bench trial, Judge Breckenridge found against the plaintiff and intervenor on their complaint. On December 11, 1986 a settlement agreement was presented to the Court under which Gerald Armstrong agreed to the dismissal of his cross-complaint while permitting the Church to appeal Judge Breckenridge's decision on the complaint and to have that matter re-tried against him if the Court of Appeals remanded the matter for trial. See Exhibit A hereto, Transcript of Proceedings of December 11, 1986, page 2 line 16 through page 3 line 21. During the hearing regarding the settlement terms, Judge Breckenridge was not informed that, as part of the Settlement Agreement, Armstrong was precluded from filing an opposition to the appeal, (see Mutual Release of all Claims and Settlement Agreement hereinafter "Settlement Agreement" attached hereto as Exhibit B, at page 4-5) nor was Judge Breckenridge informed that if the matter indeed was retried that there was a side agreement executed by counsel for the Church under which Armstrong would be indemnified if the Church prevailed. (See Exhibit C hereto which was attached as part of the Appendix to the Appellant's Brief in Appeal No. B 025920 now pending in Division 3). Given the overall effect of these agreements, the undersigned believe that the appellants never intended to retry the case even if they prevailed on appeal but merely wanted an unobstructed path to overturning Judge Breckenridge's decision which contained findings extremely critical of Scientology.

During the December 11, 1986 hearing regarding the Settlement Agreement, Church counsel (including Lawrence E. Heller, a California attorney, Michael E. Hertzberg, a New York attorney appearing Pro Hac Vice, as well as Michael Flynn, attorney for Gerald Armstrong, and a member of the Massachusetts Bar appearing Pro Hac Vice), made the following representations to the Court:

1. That Armstrong had agreed to a Stipulated Sealing Order as part of the overall settlement which required the sealing of the entire court file. (See Exhibit A hereto, page 6 lines 17-28, and Exhibit D, Stipulated Sealing Order).

In fact, the Settlement Agreement, attached hereto as Exhibit B, contains no such clause. Nevertheless, Appellants in the within appeal have continued to state in this appeal that the sealing was required by the Settlement Agreement and desired by "the parties".



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2. The Settlement Agreement had been filed with the court and would be subject to the jurisdiction of the court, (see Exhibit E hereto).

In fact the Settlement Agreement had not been filed and was never filed. (See Exhibits F and G, Minute Orders of December 12 and 16, 1986). Counsel for appellants acknowledged that the Agreement was never filed in motion proceedings respecting the unsealing of the file.

Not only did counsel make the above misrepresentations to the Court they also failed to inform the Court of several matters directly relevant to the settlement which suggest highly questionable conduct of all counsel. First, while the Settlement Agreement anticipated that the Church would prosecute its appeal from Judge Breckenridge's decision, it contained a clause precluding Armstrong from filing an opposition to the appeal. In the opinion of the undersigned, this demonstrates that the Church and its counsel are currently prosecuting a collusive appeal in Division 3. See Exhibit B, paragraph 4B, pages 4-5).

Second, Armstrong was precluded from cooperating voluntarily with any parties adverse to the Church, including United States government entities, and was permitted to discuss matters on which he had evidence regarding the Church and/or any affiliated entities or individuals only if required to do so by lawful subpoena. However, the agreement also contained a provision under which he was required to avoid service of process of deposition subpoenas or subpoenas for trial under a clause worded that he "not be amenable for service of process". See Exhibit B paragraph 7(h) at page 10.

Third, as referenced in paragraph 3 of the Settlement Agreement, Mr. Flynn had negotiated the Settlement Agreement for Mr. Armstrong as part of a package settlement on behalf nineteen plaintiffs and, at the same time, settled his (Flynn's) claims against the Church. Flynn was given an undisclosed sum of money which he then divided up among himself and his clients and, although this has not been authenticated, the undersigned counsel for Mr. Corydon believe that the exhibit attached hereto as Exhibit H is a true copy of the agreement between and among Flynn and his clients dividing up that money.

Finally, Armstrong's attorney Michael J. Flynn, was also required, as a prerequisite to reaching a settlement on behalf of his clients and himself, to cease representation of or assistance to any person adverse to the Church of Scientology who was not

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part of the Settlement Agreement and, furthermore, that he agree not to represent any such individuals in the future this prohibition extended to withdrawing from continuing representation of Mr. Armstrong in the contemplated appeal. Mr. Corydon was a client of Mr. Flynn at that time and on information and belief he and his co-parties in the Riverside lawsuit were the only remaining Flynn clients adverse to the Church of Scientology who were not part of the package settlement. Flynn informed Corydon after the December 1986 settlements were reached that he could no longer assist Mr. Corydon for the reasons set forth herein and, in fact, refused to do so requiring Corydon to seek new counsel. (See Declaration of Corydon, Exhibit I hereto).

Attorney Lawrence E. Heller has taken credit for negotiation of these agreements in a declaration filed by him in the currently pending lawsuit between Mr. Corydon against various Church of Scientology entities captioned Corydon vs. Church of Scientology International et. al. LASC Case No. 694401. A true copy of that Declaration is attached hereto as Exhibit J. Mr. Heller's declaration was submitted in support of a motion filed by him to prevent the deposition of Mr. Armstrong and others from going forward. In addition, the transcript of December 11, 1986 (Exhibit A hereto) makes clear that Michael Hertzberg, who is currently appearing pro hac vice in the Corydon lawsuit, was also a participant in those negotiations.

On February 16, 1990, Mr. Armstrong appeared for deposition although the scheduled deposition of Mr. Armstrong did not go forward for reasons unrelated to these issues. At that time he informed one of Mr. Corydon's undersigned attorneys, Toby L. Plevin, that he had been intimidated regarding appearing for the deposition, including most recently having received a telephone call relaying a message by Eric Liebermann, another Church attorney, that Scientology believed Mr. Armstrong had been "too amenable" to service of process. Mr. Armstrong also mentioned that he had previously been told by Mr. Heller that he should permit Scientology (with whom Mr. Armstrong is currently in litigation) to pay for an attorney to represent him at the deposition. According to Mr. Heller that attorney would follow the Church directives to instruct Mr. Armstrong not to answer certain questions that Scientology deemed to be embarrassing or in conflict with the silencing provisions of the Settlement Agreement.

Based on the language in paragraph 3 of the Settlement Agreement entered into by Mr. Armstrong, it is clear that the Scientology has entered into similar silencing agreements with other individuals knowledgeable about its operations. And it is also clear that such agreements operate to the severe detriment



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of other parties adverse to the Church in proving their cases against the Church or defending against Church claims against them. Mr. Corydon is in both categories.

Mr. Corydon is defendant in three defamation actions brought by various Church entities and individuals who are beneficiaries of the silencing provisions of the Settlement Agreements and who are therefore protected from the in-depth knowledge of the signatories to the silencing agreements regarding the truthfulness of Mr. Corydon's statements. Two of the lawsuits have been coordinated as The Corydon Defamation Action, LASC Judicial Coordination Proceeding 5121. In those actions Mr. Corydon is represented by Mr. Paul Morantz, who, because the agreements prevent Corydon from fully defending himself in the lawsuit, has sought to have the complaints dismissed on the grounds of unclean hands and obstruction of justice. Recently, Judge Feinerman, sitting by designation, denied both the motion to dismiss and the alternative request to order the defamation plaintiffs to release the signatories from the silencing provisions of the agreements. Judge Feinerman opined that the remedy for Mr. Corydon in connection with these agreements would be an action for spoliation of evidence. Mr. Corydon filed a writ in this Court respecting that decision which was denied. That matter is now pending before the California Supreme Court.

We note for the record that, under California law, where the illegality of a contract is presented for the first time to the Court of Appeals, the Court of Appeals is ~~not~~ under a duty to investigate the nature and circumstances of that contract in order to be certain that the judicial process and the Court of Appeals are not being used to support illegal ends. See eg La Fortune v. Ebie 26 Cal.App3d 72; Lewis and Queen v. M&M Ball Sons 48 C.2d 141. In light of the inquiry from Mr. Stapleton we hope that the Court of Appeals will undertake such an inquiry, including notification of the proper authorities, including the State Bar and the Attorney General, and, once satisfied that the contract on which both the pending appeals are based is illegal, will dismiss both pending appeals.

Very truly yours,

  
Toby L. Plevin

  
Paul Morantz

cc: All Counsel of Record





1 SUPERIOR COURT OF THE STATE OF CALIFORNIA

2 FOR THE COUNTY OF LOS ANGELES

3 DEPARTMENT NO. 57

HON. PAUL G. BRECKENRIDGE, JR., JUDGE

4  
5 GERALD ARMSTRONG,

6 Cross-Complainant,

7 vs.

No. C 420 153

8 CHURCH OF SCIENTOLOGY OF CALIFORNIA,

9 Cross-Defendant.

10  
11 MARY SUE HUBBARD,

12 Intervenor.

13  
14 REPORTER'S TRANSCRIPT OF PROCEEDINGS

15 Thursday, December 11, 1966

16  
17 APPEARANCES:

18 For the Cross-  
19 Complainant:

CONTOS & BUNCH  
By: JULIA DRAGOJEVIC and  
MICHAEL FLYNN  
5855 Topanga Canyon Boulevard  
Suite 400  
Woodland Hills, California 913677

20  
21  
22 For the Cross-  
23 Defendant:

PETERSON & BRYNAN  
By: JOHN G. PETERSON  
8530 Wilshire Boulevard, Suite 407  
Beverly Hills, California 90211

24 (Appearances  
25 Continued Inside)

26  
27 COPY

NANCY L. HARRIS, CSR No. 644  
Official Reporter

EXHIBIT 2

1 APPEARANCES: (Continued)

2

3 For the Founding  
4 Church of Scientology  
5 and Intervenor:

MICHAEL LEE HERTZBERG  
Pro Hac Vice  
275 Madison Avenue  
New York, New York 10016

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7 Also Present:

LAWRENCE E. HELLER

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1 LOS ANGELES, CALIFORNIA; THURSDAY, DECEMBER 11, 1986; 4:03 P.M.

2 ---003---

3  
4 THE COURT: All right. The parties are here on Armstrong  
5 versus Church of Scientology.

6 MR. FLYNN: We are here.

7 After lengthy negotiations, Your Honor, between  
8 myself and Mr. Hertzberg on behalf of the Church and  
9 Mary Sue Hubbard, we are extremely happy to report to the  
10 court that the court will not have to try this case, this  
11 counterclaim in March.

12 The parties have resolved the case to the satis-  
13 faction of Mr. Armstrong and to myself and to Mr. Hertzberg's  
14 client.

15 THE COURT: How about Miss Dragojevic?

16 MS. DRAGOJEVIC: I think I will go along with it.

17 MR. PETERSON: Maybe we should identify ourselves for  
18 the record.

19 THE COURT: Yes, probably a good idea.

20 MR. FLYNN: Michael Flynn for Gerald Armstrong.

21 MS. DRAGOJEVIC: Julia Dragojevic for Gerald Armstrong.

22 MR. HELLER: Lawrence Heller, and I am here in case there  
23 were any questions. I had a little input in the settlement.

24 MR. PETERSON: John Peterson for the Church of  
25 Scientology of California.

26 MR. HERTZBERG: Michael Lee Hertzberg for Mary Sue  
27 Hubbard, who is the intervenor in the underlying original case  
28 of the Church of Scientology against Gerald Armstrong.

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1 THE COURT: In Los Angeles we call it appellant.

2 MR. FLYNN: The appellant, whoever it is, them.

3 THE COURT: That is with the French, Bostonian or  
4 something.

5 MR. HERTZBERG: Your Honor, I am informed that the court  
6 of appeal asked for 50 documents and they have them. So for  
7 the moment, presumably those could not be returned by the  
8 clerk of this court.

9 THE COURT: Well, it is the parties' agreement, then,  
10 but whatever they have got, the county clerk is no longer to  
11 be custodian of those and they will be returned to the parties  
12 by stipulation of the parties.

13 MR. HERTZBERG: That is what we stipulated to in  
14 writing. That is an integral part of this settlement.

15 MR. PETERSON: And when the 50 documents come back --

16 THE COURT: If it is what the parties want to do, it is  
17 okay with me.

18 MR. PETERSON: And when the 50 documents come back from  
19 the court of appeal, they also will be turned over to the  
20 Church.

21 THE COURT: I think that the court would require a  
22 further joint order or stipulation.

23 In other words, I don't want to turn those over  
24 if a remittitur comes down, regardless of what it is, or some  
25 clerk turns them over without knowing whether or not they  
26 might be further needed.

27 MR. HERTZBERG: We agree to that right now.

28 MR. FLYNN: That would be agreeable.

1 THE COURT: Just by stipulation of the parties, it can  
2 be released at that time.

3 MR. HELLER: Your Honor, for what little I can give,  
4 this insight was accurate.

5 This was an issue that was discussed at length  
6 between the parties when negotiations were going on.

7 MR. FLYNN: It is apparently contemplated in  
8 paragraph 3 of the proposed order, Your Honor.

9 THE COURT: Well, this implies that immediately when  
10 they are returned that they be immediately turned over to  
11 the Church without any further --

12 MR. FLYNN: That is agreeable.

13 MR. HERTZBERG: That is agreeable.

14 MR. FLYNN: To Mr. Armstrong.

15 MR. HERTZBERG: This is part of this rather complex  
16 process that we have all agreed on.

17 THE COURT: What is this -- under this stipulated  
18 sealing order paragraph 2 provides that the entire remaining  
19 records of this case, save only this order, the order of  
20 dismissal of the case, and then the order necessary to  
21 effectuate this order and the order of dismissal, are agreed  
22 to be placed under seal of the court.

23 What is it that you have in mind, the file  
24 itself?

25 MR. HERTZBERG: Yes, Your Honor. That is the procedure  
26 that the Church has insisted on and all courts have agreed to  
27 in various other Scientology cases involving Mr. Flynn and  
28 others which have been settled.

1 MR. FLYNN: We settled, Your Honor, several cases in  
2 the federal district court in Tampa, Florida and recently six  
3 cases in the federal district court in Los Angeles.

4 THE COURT: I just want to know what is contemplated so  
5 the clerk won't be running around and --

6 MR. FLYNN: I'd say the entire record, I mean the  
7 court file.

8 THE COURT: There was a reporter's transcript. There  
9 was an original and copies prepared.

10 Of course, those went to the court of appeal.

11 MR. FLYNN: Whatever is in the physical possession of  
12 the court --

13 THE COURT: I guess we are talking just basically this  
14 multiple set of files will be placed under some kind of seal.

15 MR. HERTZBERG: Your Honor, presumably any materials  
16 that come from the court of appeal would then be integrated  
17 under that seal.

18 THE COURT: Yes. That would be so understood.

19 Of course, there have been innumerable people in  
20 the interim who have come forward and examined the file. I  
21 haven't the slightest idea who all those people are, but  
22 certainly we can't go back and retract from them whatever they  
23 have seen or observed or copied.

24 MR. HERTZBERG: We understand, Your Honor.

25 THE COURT: All right. Then, the court will sign the  
26 respective orders.

27 Is that all?

28 MR. FLYNN: Thank you, Your Honor.



1 THE COURT: I guess we should vacate the trial date.

2 Any other motions?

3 MS. DRAGICEVIC: Mandatory settlement conference.

4 MR. FLYNN: I am sure Your Honor is very sorry to hear  
5 all this.

6 THE COURT: We wish you all good luck in the future.

7 You are all welcome to come back and try more  
8 cases. Some other subject, perhaps.

9 MR. FLYNN: Being from Boston, I'd like to personally  
10 thank you for all your courtesies in the court.

11 THE COURT: Well, we aim to please.

12 MR. HERTZBERG: I don't want to be overly inquisitive,  
13 but has Your Honor signed the order dismissing the case?

14 THE COURT: I signed whatever orders were submitted.  
15 Includes a dismissal.

16 MR. PETERSON: We will verify with the clerk and get a  
17 conformed copy.

18 THE CLERK: Do you have originals of these?

19 MR. HELLER: I think those are all originals.

20 THE CLERK: Originals, but they are copies of documents.

21 MR. PETERSON: I think the problem, some of them were  
22 signed in counterpart.

23 MR. HELLER: We tried to get all signatures on one  
24 because one of them has five or six signatures.

25 THE COURT: Why don't you look over what is there?

26 MR. PETERSON: I think we can work it out with the clerk,  
27 any problems with original versus copy, and take care of it.

28 (At 4:17 p.m. the proceedings were adjourned.)

1 SUPERIOR COURT OF THE STATE OF CALIFORNIA

2 FOR THE COUNTY OF LOS ANGELES

3 DEPARTMENT NO. 57

HON. PAUL G. FRECKENRIDGE, JR., JUDGE

4  
5 GERALD ARMSTRONG,

6 Cross-Complainant,

7 vs.

8 CHURCH OF SCIENTOLOGY OF  
9 CALIFORNIA,

10 Cross-Defendant.

No. C 420 153

REPORTER'S CERTIFICATE

11 STATE OF CALIFORNIA )

12 COUNTY OF LOS ANGELES ) ss

13  
14 I, NANCY L. HARRIS, Official Reporter of the  
15 Superior Court of the State of California, for the County of  
16 Los Angeles, do hereby certify that the foregoing pages,  
17 1 to 8, inclusive, comprise a true and correct transcript  
18 of the proceedings held in the above-entitled matter on  
19 December 11, 1986.

20 Dated this 15th day of December, 1986.

21  
22  
23 \_\_\_\_\_, CSR No. 644  
24 Official Reporter





MUTUAL RELEASE OF ALL CLAIMS AND SETTLEMENT AGREEMENT

1. This Mutual Release of All Claims and Settlement Agreement is made between Church of Scientology International (hereinafter "CSI") and Gerald Armstrong, (hereinafter "Plaintiff") Cross-Complainant in Gerald Armstrong v. Church of Scientology of California, Los Angeles Superior Court, Case No. 420 153. By this Agreement, Plaintiff hereby specifically waives and releases all claims he has or may have from the beginning of time to and including this date, including all causes of action of every kind and nature, known or unknown for acts and/or omissions against the officers, agents, representatives, employees, volunteers, directors, successors, assigns and legal counsel of CSI as well as the Church of Scientology of California, its officers, agents, representatives, employees, volunteers, directors, successors, assigns and legal counsel; Religious Technology Center, its officers, agents, representatives, employees, volunteers, directors, successors, assigns and legal counsel; all Scientology and Scientology affiliated organizations and entities and their officers, agents, representatives, employees, volunteers, directors, successors, assigns and legal counsel; Author Services, Inc., its officers, agents, representatives, employees, volunteers, directors, successors, assigns and legal counsel; L. Ron Hubbard, his heirs, beneficiaries, Estate and its executor; Author's Family Trust, its beneficiaries and its trustee; and Mary Sue Hubbard, (all hereinafter collectively referred to as the

"Releasees"). The parties to this Agreement hereby agree as follows:

2. It is understood that this settlement is a compromise of doubtful and disputed claims, and that any payment is not to be construed, and is not intended, as an admission of liability on the part of any party to this Agreement, specifically, the Releasees, by whom liability has been and continues to be expressly denied. In executing this settlement Agreement, Plaintiff acknowledges that he has released the organizations, individuals and entities listed in the above paragraph, in addition to those defendants actually named in the above lawsuit, because among other reasons, they are third party beneficiaries of this Agreement.

3. Plaintiff has received payment of a certain monetary sum which is a portion of a total sum of money paid to his attorney, Michael J. Flynn. The total sum paid to Mr. Flynn is to settle all of the claims of Mr. Flynn's clients. Plaintiff's portion of said sum has been mutually agreed upon by Plaintiff and Michael J. Flynn. Plaintiff's signature below this paragraph acknowledges that Plaintiff is completely satisfied with the monetary consideration negotiated with and received by Michael J. Flynn. Plaintiff acknowledges that there has been a block settlement between Plaintiff's attorney, Michael J. Flynn, and the Church of Scientology and Churches and entities related to the Church of Scientology, concerning all of Mr. Flynn's clients who were in litigation with any Church of Scientology or related entity. Plaintiff has received a portion of this block

amount, the receipt of which he hereby acknowledges. Plaintiff understands that this amount is only a portion of the block settlement amount. The exact settlement sum received by Plaintiff is known only to Plaintiff and his attorney, Michael J. Flynn, and it is their wish that this remain so and that this amount remain confidential.

  
\_\_\_\_\_  
Signature line for Gerald Armstrong

4. For and in consideration of the above described consideration, the mutual covenants, conditions and release contained herein, Plaintiff does hereby release, acquit and forever discharge, for himself, his heirs, successors, executors, administrators and assigns, the Releasees, including Church of Scientology of California, Church of Scientology International, Religious Technology Center, all Scientology and Scientology affiliated organizations and entities, Author Services, Inc. (and for each organization or entity, its officers, agents, representatives, employees, volunteers, directors, successors, assigns and legal counsel); L. Ron Hubbard, his heirs, beneficiaries, Estate and its executor; Author's Family Trust, its beneficiaries and trustee; and Mary Sue Hubbard, and each of them, of and from any and all claims, including, but not limited to, any claims or causes of action entitled Gerald Armstrong v. Church of Scientology of California, Los Angeles Superior Court, Case No. 420 153 and all demands, damages, actions and causes of actions of every kind and nature, known or unknown,



for or because of any act or omission allegedly done by the Releasees, from the beginning of time to and including the date hereof. Therefore, Plaintiff does hereby authorize and direct his counsel to dismiss with prejudice his claims now pending in the above referenced action. The parties hereto will execute and cause to be filed a joint stipulation of dismissal in the form of the one attached hereto as Exhibit "A".

A. It is expressly understood by Plaintiff that this release and all of the terms thereof do not apply to the action brought by the Church of Scientology against Plaintiff for Conversion, Fraud and other causes of action, which action has already gone to trial and is presently pending before the Second District, Third Division of the California Appellate Court (Appeal No. B005912). The disposition of those claims are controlled by the provisions of the following paragraph hereinafter.

B. As of the date this settlement Agreement is executed, there is currently an appeal pending before the California Court of Appeal, Second Appellate District, Division 3, arising out of the above referenced action delineated as Appeal No. B005912. It is understood that this appeal arises out of the Church of Scientology's complaint against Plaintiff which is not settled herein. This appeal shall be maintained notwithstanding this Agreement. Plaintiff agrees to waive any rights he may have to take any further appeals from any decision eventually reached by the Court of Appeal or any rights he may have to oppose (by responding brief or any other means) any further appeals taken by the Church of

Scientology of California. The Church of Scientology of California shall have the right to file any further appeals it deems necessary.

5. For and in consideration of the mutual covenants, conditions and release contained herein, and Plaintiff dismissing with prejudice the action Gerald Armstrong v. Church of Scientology of California, Los Angeles Superior Court, Case No. 420 153, the Church of Scientology of California does hereby release, acquit and forever discharge for itself, successors and assigns, Gerald Armstrong, his agents, representatives, heirs, successors, assigns, legal counsel and estate and each of them, of and from any and all claims, causes of action, demands, damages and actions of every kind and nature, known or unknown, for or because of any act or omission allegedly done by Gerald Armstrong from the beginning of time to and including the date hereof.

6. In executing this Agreement, the parties hereto, and each of them, agree to and do hereby waive and relinquish all rights and benefits afforded under the provisions of Section 1542 of the Civil Code of the State of California, which provides as follows:

"A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor."

7. Further, the undersigned hereby agree to the following:

A. The liability for all claims is expressly denied by the parties herein released, and this final compromise and



settlement thereof shall never be treated as an admission of liability or responsibility at any time for any purpose.

B. Plaintiff has been fully advised and understands that the alleged injuries sustained by him are of such character that the full extent and type of injuries may not be known at the date hereof, and it is further understood that said alleged injuries, whether known or unknown at the date hereof, might possibly become progressively worse and that as a result, further damages may be sustained by Plaintiff; nevertheless, Plaintiff desires by this document to forever and fully release the Releasees. Plaintiff understands that by the execution of this release no further claims arising out of his experience with, or actions by, the Releasees, from the beginning of time to and including the date hereof, which may now exist or which may exist in the future may ever be asserted by him or on his behalf, against the Releasees.

C. Plaintiff agrees to assume responsibility for the payment of any attorney fee, lien or liens, imposed against him past, present, or future, known or unknown, by any person, firm, corporation or governmental entity or agency as a result of, or growing out of any of the matters referred to in this release. Plaintiff further agrees to hold harmless the parties herein released, and each of them, of and from any liability arising therefrom.

D. Plaintiff agrees never to create or publish or attempt to publish, and/or assist another to create for publication by means of magazine, article, book or other



similar form, any writing or to broadcast or to assist another to create, write, film or video tape or audio tape any show, program or movie, or to grant interviews or discuss with others, concerning their experiences with the Church of Scientology, or concerning their personal or indirectly acquired knowledge or information concerning the Church of Scientology, L. Ron Hubbard or any of the organizations, individuals and entities listed in Paragraph 1 above. Plaintiff further agrees that he will maintain strict confidentiality and silence with respect to his experiences with the Church of Scientology and any knowledge or information he may have concerning the Church of Scientology, L. Ron Hubbard, or any of the organizations, individuals and entities listed in Paragraph 1 above. Plaintiff expressly understands that the non-disclosure provisions of this subparagraph shall apply, inter alia, but not be limited, to the contents or substance of his complaint on file in the action referred to in Paragraph 1 hereinabove or any documents as defined in Appendix "A" to this Agreement, including but not limited to any tapes, films, photographs, recastings, variations or copies of any such materials which concern or relate to the religion of Scientology, L. Ron Hubbard, or any of the organizations, individuals, or entities listed in Paragraph 1 above. The attorneys for Plaintiff, subject to the ethical limitations restraining them as promulgated by the state or federal regulatory associations or agencies, agree not to disclose any of the terms and conditions of the settlement negotiations, amount of the

settlement, or statements made by either party during settlement conferences. Plaintiff agrees that if the terms of this paragraph are breached by him, that CSI and the other Releasees would be entitled to liquidated damages in the amount of \$50,000 for each such breach. All monies received to induce or in payment for a breach of this Agreement, or any part thereof, shall be held in a constructive trust pending the outcome of any litigation over said breach. The amount of liquidated damages herein is an estimate of the damages that each party would suffer in the event this Agreement is breached. The reasonableness of the amount of such damages are hereto acknowledged by Plaintiff.

E. With exception to the items specified in Paragraph 7(L), Plaintiff agrees to return to the Church of Scientology International at the time of the consummation of this Agreement, all materials in his possession, custody or control (or within the possession, custody or control of his attorney, as well as third parties who are in possession of the described documents), of any nature, including originals and all copies or summaries of documents defined in Appendix "A" to this Agreement, including but not limited to any tapes, computer disks, films, photographs, recastings, variations or copies of any such materials which concern or relate to the religion of Scientology, L. Ron Hubbard or any of the organizations, individuals or entities listed in Paragraph 1 above, all evidence of any nature, including evidence obtained from the named defendants through discovery, acquired for the purposes of this lawsuit or any lawsuit, or acquired for any other purpose



concerning any Church of Scientology, any financial or administrative materials concerning any Church of Scientology, and any materials relating personally to L. Ron Hubbard, his family, or his estate. In addition to the documents and other items to be returned to the Church of Scientology International listed above and in Appendix "A", Plaintiff agrees to return the following:

(a) All originals and copies of the manuscript for the work "Excalibur" written by L. Ron Hubbard;

(b) All originals and copies of documents commonly known as the "Affirmations" written by L. Ron Hubbard; and

(c) All documents and other items surrendered to the Court by Plaintiff and his attorneys pursuant to Judge Cole's orders of August 24, 1982 and September 4, 1982 and all documents and other items taken by the Plaintiff from either the Church of Scientology or Omar Garrison. This includes all documents and items entered into evidence or marked for identification in Church of Scientology of California v. Gerald Armstrong, Case No. C 420 153. Plaintiff and his attorney will execute a Joint Stipulation or such other documents as are necessary to obtain these documents from the Court. In the event any documents or other items are no longer in the custody or control of the Los Angeles Superior Court, Plaintiff and his counsel will assist the Church in recovering these documents as quickly as possible, including but not limited to those tapes and other documents now in the possession of the United States District Court in the case of United States v. Zolin, Case No. CV



85-0440-HLH(Tx), presently on appeal in the Ninth Circuit Court of Appeals. In the event any of these documents are currently lodged with the Court of Appeal, Plaintiff and his attorneys will cooperate in recovering those documents as soon as the Court of Appeal issues a decision on the pending appeal.

To the extent that Plaintiff does not possess or control documents within categories A-C above, Plaintiff recognizes his continuing duty to return to CSI any and all documents that fall within categories A-C above which do in the future come into his possession or control.

F. Plaintiff agrees that he will never again seek or obtain spiritual counselling or training or any other service from any Church of Scientology, Scientologist, Dianetics or Scientology auditor, Scientology minister, Mission of Scientology, Scientology organization or Scientology affiliated organization.

G. Plaintiff agrees that he will not voluntarily assist or cooperate with any person adverse to Scientology in any proceeding against any of the Scientology organizations, individuals, or entities listed in Paragraph 1 above. Plaintiff also agrees that he will not cooperate in any manner with any organizations aligned against Scientology.

H. Plaintiff agrees not to testify or otherwise participate in any other judicial, administrative or legislative proceeding adverse to Scientology or any of the Scientology Churches, individuals or entities listed in Paragraph 1 above unless compelled to do so by lawful subpoena or other lawful process. Plaintiff shall not make

himself amenable to service of any such subpoena in a manner which invalidates the intent of this provision. Unless required to do so by such subpoena, Plaintiff agrees not to discuss this litigation or his experiences with and knowledge of the Church with anyone other than members of his immediate family. As provided hereinafter in Paragraph 18(d), the contents of this Agreement may not be disclosed.

I. The parties hereto agree that in the event of any future litigation between Plaintiff and any of the organizations, individuals or entities listed in Paragraph 1 above, that any past action or activity, either alleged in this lawsuit or activity similar in fact to the evidence that was developed during the course of this lawsuit, will not be used by either party against the other in any future litigation. In other words, the "slate" is wiped clean concerning past actions by any party.

J. It is expressly understood and agreed by Plaintiff that any dispute between Plaintiff and his counsel as to the proper division of the sum paid to Plaintiff by his attorney of record is between Plaintiff and his attorney of record and shall in no way affect the validity of this Mutual Release of All Claims and Settlement Agreement.

K. Plaintiff hereby acknowledges and affirms that he is not under the influence of any drug, narcotic, alcohol or other mind-influencing substance, condition or ailment such that his ability to fully understand the meaning of this Agreement and the significance thereof is adversely affected.

L. Notwithstanding the provisions of Paragraph 7(E) above, Plaintiff shall be entitled to retain any artwork created by him which concerns or relates to the religion of Scientology, L. Ron Hubbard or any of the organizations, individuals or entities listed in Paragraph 1 above provided that such artwork never be disclosed either directly or indirectly, to anyone. In the event of a disclosure in breach of this Paragraph 7(L), Plaintiff shall be subject to the liquidated damages and constructive trust provisions of Paragraph 7(D) for each such breach.

8. Plaintiff further agrees that he waives and relinquishes any right or claim arising out of the conduct of any defendant in this case to date, including any of the organizations, individuals or entities as set forth in Paragraph 1 above, and the named defendants waive and relinquish any right or claim arising out of the conduct of Plaintiff to date.

9. This Mutual Release of All Claims and Settlement Agreement contains the entire agreement between the parties hereto, and the terms of this Agreement are contractual and not a mere recital. This Agreement may be amended only by a written instrument executed by Plaintiff and CSI. The parties hereto have carefully read and understand the contents of this Mutual Release of All Claims and Settlement Agreement and sign the same of their own free will, and it is the intention of the parties to be legally bound hereby. No other prior or contemporaneous agreements, oral or written, respecting such matters, which are not specifically



incorporated herein shall be deemed to in any way exist or bind any of the parties hereto.

10. Plaintiff agrees that he will not assist or advise anyone, including individuals, partnerships, associations, corporations, or governmental agencies contemplating any claim or engaged in litigation or involved in or contemplating any activity adverse to the interests of any entity or class of persons listed above in Paragraph 1 of this Agreement.

11. The parties to this Agreement acknowledge the following:

A. That all parties enter into this Agreement freely, voluntarily, knowingly and willingly, without any threats, intimidation or pressure of any kind whatsoever and voluntarily execute this Agreement of their own free will;

B. That all parties have conducted sufficient deliberation and investigation, either personally or through other sources of their own choosing, and have obtained advice of counsel regarding the terms and conditions set forth herein, so that they may intelligently exercise their own judgment in deciding whether or not to execute this Agreement; and

C. That all parties have carefully read this Agreement and understand the contents thereof and that each reference in this Agreement to any party includes successors, assigns, principals, agents and employees thereof.

12. Each party shall bear its respective costs with respect to the negotiation and drafting of this Agreement and

all acts required by the terms hereof to be undertaken and performed by that party.

13. To the extent that this Agreement inures to the benefit of persons or entities not signatories hereto, this Agreement is hereby declared to be made for their respective benefits and uses.

14. The parties shall execute and deliver all documents and perform all further acts that may be reasonably necessary to effectuate the provisions of this Agreement.

15. This Agreement shall not be construed against the party preparing it, but shall be construed as if both parties prepared this Agreement. This Agreement shall be construed and enforced in accordance with the laws of the State of California.

16. In the event any provision hereof be unenforceable, such provision shall not affect the enforceability of any other provision hereof.

17. All references to the plural shall include the singular and all references to the singular shall include the plural. All references to gender shall include both the masculine and feminine.

18.(A) Each party warrants that they have received independent legal advice from their attorneys with respect to the advisability of making the settlement provided for herein and in executing this Agreement.

(B) The parties hereto (including any officer, agent, employee, representative or attorney of or for any party) acknowledge that they have not made any statement,

representation or promise to the other party regarding any fact material to this Agreement except as expressly set forth herein. Furthermore, except as expressly stated in this Agreement, the parties in executing this Agreement do not rely upon any statement, representation or promise by the other party (or of any officer, agent, employee, representative or attorney for the other party).

(C) The persons signing this Agreement have the full right and authority to enter into this Agreement on behalf of the parties for whom they are signing.

(D) The parties hereto and their respective attorneys each agree not to disclose the contents of this executed Agreement. Nothing herein shall be construed to prevent any party hereto or his respective attorney from stating that this civil action has been settled in its entirety.

(E) The parties further agree to forbear and refrain from doing any act or exercising any right, whether existing now or in the future, which act or exercise is inconsistent with this Agreement.

19. Plaintiff has been fully advised by his counsel as to the contents of this document and each provision hereof. Plaintiff hereby authorizes and directs his counsel to dismiss with prejudice his claims now pending in the action entitled Gerald Armstrong v. Church of Scientology of California, Los Angeles Superior Court, Case No. 420 153.

20. Notwithstanding the dismissal of the lawsuit pursuant to Paragraph 4 of this Agreement, the parties hereto agree that the Los Angeles Superior Court shall retain



jurisdiction to enforce the terms of this Agreement. This Agreement may be enforced by any legal or equitable remedy, including but not limited to injunctive relief or declaratory judgment where appropriate. In the event any party to this Agreement institutes any action to preserve, to protect or to enforce any right or benefit created hereunder, the prevailing party in any such action shall be entitled to the costs of suit and reasonable attorney's fees.

21. This Agreement may be executed in two or more counterparts, each of which shall be deemed to be a duplicate original, but all of which, together, shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement, on the date opposite their names.

Dated: December 6, 1985

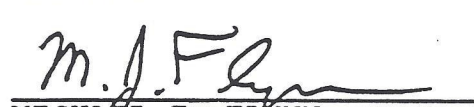
  
GERALD ARMSTRONG

  
Witness

  
Witness

Dated: 12/6/86

APPROVED AS TO FORM AND  
CONTENT:

  
MICHAEL J. FLYNN  
Attorney for  
GERALD ARMSTRONG

Dated: December 11, 1986

  
for  
CHURCH OF SCIENTOLOGY  
INTERNATIONAL



## INDEMNITY AGREEMENT

The undersigned hereby agree to jointly indemnify MICHAEL J. FLYNN within the limitation described in the last paragraph hereof, in the event, and only in the event, all of the following conditions occur:

1. The case of Church of Scientology of California v. Armstrong, Los Angeles Superior Court No. 420153 and Court of Appeal No. B005912 the appeal of which is presently pending before the California Appellate Courts, Second District, is reversed and the damage cause of action therein is remanded for a retrial by said the Appellate Court; and

2. The Plaintiff therein, Church of Scientology of California, retries any part of said action, pursuant to that remand, wherein the Church of Scientology of California prays for damages; and

3. Judgment is entered pursuant to said retrial in favor of the Church of Scientology of California and against Gerald Armstrong; and

3. Gerald Armstrong pays any part or all of said judgment for damages; and

4. Michael J. Flynn reimburses Gerald Armstrong for any part or all of the monies paid to the Church of Scientology of California by Gerald Armstrong pursuant to the said judgment.

If all of the foregoing conditions occur the undersigned will indemnify Michael J. Flynn only for the sum of money he has reimbursed Gerald Armstrong. In no event will the undersigned



indemnify Michael J. Flynn for any sum greater than twenty-five thousand dollars.

  
\_\_\_\_\_  
EARLE C. COOLEY

  
\_\_\_\_\_  
LAWRENCE E. HELLER

D

1 BRUCE BUNCH  
2 CONTOS & BUNCH  
3 5855 Topanga Canyon Boulevard  
4 Suite 400  
5 Woodland Hills, CA 91367  
6 (818) 716-9400

7 Attorneys for Cross-Complainant  
8 Gerald Armstrong

9 JOHN G. PETERSON  
10 PETERSON AND BRYNAN  
11 8530 Wilshire Boulevard, Suite 407  
12 Beverly Hills, California 90211  
13 (213) 659-9965

14 Attorneys for Plaintiff and Cross-Defendant  
15 CHURCH OF SCIENTOLOGY OF CALIFORNIA

16 SUPERIOR COURT OF THE STATE OF CALIFORNIA

17 FOR THE COUNTY OF LOS ANGELES

18 CHURCH OF SCIENTOLOGY OF )  
19 CALIFORNIA, a California )  
20 Corporation, )

21 Plaintiff, )

22 v. )

23 GERALD ARMSTRONG, )

24 Defendant. )

25 AND RELATED CROSS-ACTION. )

Case No. C 420153

STIPULATED SEALING ORDER

26 Pursuant to and as a provision of a Settlement Agreement  
27 of the parties hereto, which is dispositive of all claims of  
28 the above captioned case, the parties hereby voluntarily enter  
into the following stipulation:

1. Defendant/Cross-Complainant hereby agrees that the  
Clerk of the Court will produce to Plaintiff/Cross-Defendant

ORIGINAL FILED


DEC 11 1986

COUNTY CLERK

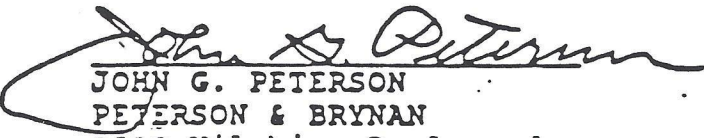


1 4. This agreement is effective as of the date of the  
2 dismissal of this case.

3 DATED: 12-8, 1986

4   
5 ~~BRUCE BUNCH~~ JUDIA DRAGOWIC  
6 CONTOS & BUNCH  
7 5855 Topanga Canyon Boulevard  
8 Suite 400  
9 Woodland Hills, CA 91367  
10 (818) 716-9400

11 Counsel for  
12 Defendant/Cross-Complainant

13   
14 JOHN G. PETERSON  
15 PETERSON & BRYNAN  
16 8530 Wilshire Boulevard  
17 Suite 407  
18 Beverly Hills, California 90211  
19 (213) 659-9965

20 Counsel for Plaintiff/Cross-Defendant

21 IT IS SO ORDERED.

22 15 / PAUL G. BRECKENRIDGE, JR.  
23 HON. PAUL G. BRECKENRIDGE

24 DEC. 11, 1986 Dated



SUPERIOR COURT OF THE STATE OF CALIFORNIA  
FOR THE COUNTY OF LOS ANGELES

GERALD ARMSTRONG,  
Cross-Complainant,  
v.  
CHURCH OF SCIENTOLOGY OF  
CALIFORNIA, a California  
Corporation,  
Cross-Defendant.

No. C 420 153  
(Severed Action)

ORDER DISMISSING ACTION  
WITH PREJUDICE

ORIGINAL FILED  
DEC 11 1986  
COUNTY CLERK

Upon consideration of the parties' Stipulation for  
Dismissal, the "Mutual release of All Claims and Settlement  
Agreement" and the entire record herein, it is

ORDERED AND ADJUDGED:

1. That this action is dismissed with prejudice.
2. That an executed duplicate original of the  
parties' "Mutual Release of All Claims and Settlement Agreement"  
filed herein under seal shall be retained by the Clerk of this  
Court under seal.

Dated: December 11, 1986

151 PAUL G. BRECKENRIDGE, JR.  
Hon. Paul G. Breckenridge

EXHIBIT C



F

Date DEC. 12, 1986

## SUPERIOR COURT OF CALIFORNIA, COUNTY OF LOS ANGELES

HONORABLE G BRECKENRIDGE, JR JUDGE

R HART

, Deputy Clerk

Deputy Sheriff

NONE

, Reporter

NONE

Court Attendant

(Parties and counsel checked if present)

C420153

GERALD ARMSTRONG,

Counsel for

X-- Plaintiff

VS

Counsel for

X-- Defendant

CHURCH OF SCIENTOLOGY OF  
CALIFORNIA,

NATURE OF PROCEEDINGS: ORDER

The Clerk having this date had conversations with counsel for cross-defendant, John G. Peterson, the Court finds that the document entitled "Mutual Release of All Claims and Settlement Agreement" referred to in the Joint Stipulation of dismissal as and executed copy and referred to in the Order Dismissing Action as an executed duplicated original, has not been filed with the court.

Good cause appearing therefor, the Court orders that the County Clerk may maintain the remaining six (6) exhibits in the normal and regular manner of handling sealed exhibits.

EXHIBIT

MINUTES ENTERED

12-12-86

COUNTY CLERK





C420153

GERALD ARMSTRONG

X- Counsel for  
Plaintiff

VS

X- Counsel for  
DefendantCHURCH OF SCIENTOLOGY OF  
CALIFORNIA,

NATURE OF PROCEEDINGS:

COURT ORDER

AO

The Clerk has had telephone conversations with counsel for cross-complainant, Julia Dragojevic and counsel for cross-defendant, John Peterson on two (2) separate occasions. Pursuant to oral agreement of both counsel that notwithstanding the fact that the document entitled, "Mutual Release of All Claims and Settlement Agreement", has not been filed, the "Order for Return of Exhibits and Sealed Documents" is to be complied with.

Pursuant to Court order exhibits 500-CCCCC, 500-XXXXX, 500-XXXXX, 500-00000, 500-PPPPP and 500-000000 and their copies are to remain sealed in the custody of the Superior Court Exhibit Custodian, not to be opened without prior order of Court.

EXHIBIT

(2)

DEPT. 57

MINUTES ENTERED

12-17-86

COUNTY CLERK

H

## SETTLEMENT AGREEMENT

### A. PRIOR SETTLEMENTS:

Settlement agreements made prior to November 1, 1986 and prior to the collective settlement stated below:

	<u>Client</u>	<u>Amount</u>	<u>Fee and Expenses</u>
(1)	Bears	\$115,000.00	To be determined with local counsel
(2)	Garritys	\$175,000.00	To be determined with local counsel
(3)	Petersons	\$175,000.00	To be determined with local counsel
(4)	Jefferson	\$150,000.00	To be determined with local counsel
(5)	Lockwood	\$150,000.00	To be determined with local counsel
(6)	Hartwell	\$150,000.00	To be determined with local counsel
		<u>\$915,000.00</u>	To be determined with local counsel

### B. INDEPENDENT SETTLEMENT:

The Christofferson-Titchborne settlement was made separate from the collective settlement. It was agreed to between attorney Gary McMurray, his client, Julie Christofferson-Titchborne and the Church of Scientology.



<u>Client</u>	<u>Amount</u>	<u>Fee and Expenses</u>
Christofferson-Titchborne	\$100,000.00	To be determined by attorney McMurray and client. None of the attorneys representing other clients in the collective settlement represent or have represented Christofferson-Titchborne.

C. COLLECTIVE SETTLEMENT:

The following cases/clients are part of a collective settlement made on December 11, 1986. The undersigned acknowledge that the settlement set forth above in Paragraphs A and B were made as separate settlements, meaning that the cases/clients listed in Paragraphs A and B agreed to the amounts stated therein prior to the collective settlement as in Paragraph A, and independent from the collective settlement as in Paragraph B. The total amount of the collective settlement is \$2,800,000.00. The total amount of the collective settlement and the prior independent settlements in Paragraphs A and B is \$3,815,000.00. The collective settlement allocation is as follows:

<u>Client</u>	<u>Amount</u>	<u>Fee and Expenses</u>
(1) Nancy Dincalci	\$ 7,500.00	None
(2) Kima Douglas	\$ 7,500.00	None

(3)                                                                           
 (4)                                                                           
 -2-

(3)	Robert Dardano	\$ 15,000.00	None
(4)	Warren Friske	\$ 15,000.00	None
(5)	William Franks	\$ 40,000.00	None
(6)	Laurel Sullivan	\$ 40,000.00	None
(7)	Edward Walters	\$100,000.00	To be determined between client and attorneys
(8)	Howard Schomer	\$200,000.00	To be determined between attorney Bunch and client
(9)	Martin Samuels	\$500,000.00	To be determined between attorney McMurray and client
(10)	Gerald Armstrong v. Church of Scientology	\$800,000.00	To be determined between attorney Bunch and client
(11)	Fees and expenses to attorneys Contos & Bunch, Robert Kilbourne, Michael Flynn, and associated counsel for the prosecution and defense of various cases including the "Hubbard documents" case, the "check- frame up" case and the defense of approximately 17 lawsuits against attorney Flynn and his clients.	\$500,000.00	To be determined between attorneys Contos & Bunch, Michael Flynn, Robert Kilbourne, and associated counsel
(12)	Flynn v. Ingram (No. _____) Flynn v. Hubbard (No. _____)	\$575,000.00  -0-	To be determined between attorney Flynn and his counsel
		\$2,800,000.00	

We, the undersigned, agree and acknowledge that

- (1) we have read the foregoing Settlement Agreement;
- (2) that we agree with the total settlement amount and the allocations to the respective cases/clients as set forth therein;
- (3) that we have either consulted, been advised to consult or have had the opportunity to consult with attorneys other than Michael J. Flynn who, we acknowledge is also a claimant against the Church of Scientology and L. Ron Hubbard;
- (4) that we agree to maintain the confidentiality of this Settlement Agreement;
- (5) that we acknowledge that many of the cases/clients involved in this settlement have been in litigation against the Church of Scientology for more than six to seven years, that many have been subjected to intense, and prolonged harassment by the Church of Scientology throughout the litigation, and that the value of the respective claims stated therein is measured in part by the (a) length and degree of harassment; (b) length and degree of involvement in the litigation; (c) the individual nature of each respective claim in connection with either their involvement with the Church of Scientology as a member and/or as a litigant; (d) the unique value of each case/client based on a variety of things including, but not limited to, the current procedural posture of a case, specific facts unique to each case, and financial, emotional or consequential damage in each case; that we agree and



acknowledge that Michael J. Flynn has primarily been responsible for bearing the cost of the litigation over a period of approximately seven years, that he or his firm's members have been required to defend approximately 17 lawsuits and/or civil/criminal contempt actions instituted by the Church of Scientology against him, his associates and clients, that he and his family have been subjected to intense and prolonged harassment, and that his claims against the Church of Scientology and L. Ron Hubbard, and his participation as an attorney have a unique value which is accurately and properly reflected in the allocations set forth herein.

Nancy Dincalci  
NANCY DINCALCI

DATE: Dec 5, 1986

Kima Douglas  
KIMA DOUGLAS

DATE: Dec 5 - 1986

Robert Dardano  
ROBERT DARDANO

DATE: Dec - 20 - 1986

Warren Friske  
WARREN FRISKE

DATE: \_\_\_\_\_

Laurel Sullivan  
LAUREL SULLIVAN

DATE: Dec 7, 1986

John Christopher McNamee  
John Christopher McNamee

DATE: Dec 11, 1986

Dec 6, 1986

CAROL GARITY

Carol Garity

WILLIAM FRANKS

Edward Walters

EDWARD WALTERS

Howard Schomer

HOWARD SCHOMER

Martin Samuels


MARTIN SAMUELS

Gerald Armstrong

GERALD ARMSTRONG

MICHAEL J. FLYNN

CONTOS & BUNCH  
A PROFESSIONAL CORPORATION

By:   
BRUCE M. BUNCH - JULIA DRAGOMIR

Gary Mc Murray

GARY MC MURRAY

ROBERT KILBOURNE

JANE PATTERSON  
3:3:17

Richard Patterson

DATE:

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DATE: 12-2-86

DATE: December 7<sup>th</sup> 1986

DATE: 12-5-86

DATE: Dec 4, 1986

DATE: 12-6-86

DATE: 12-10-86

DATE: December 6, 1986

DATE: 12/5/86

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DECLARATION OF BENT CORYDON

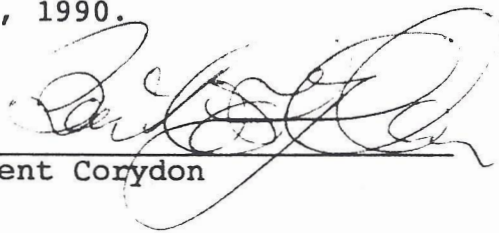
I, Bent Corydon declare as follows:

1. In 1986 I was party to a lawsuit captioned Church of Scientology Mission of Riverside vs. Corydon et.al. Riverside Case No. 154129 which is still on appeal. At that time Michael Flynn was my attorney. Although he was not counsel of record, I and my co-parties had retained him to advise me and local counsel regarding the conduct of the lawsuit. Flynn's application to appear pro hac vice was denied but he stated to me that he would take the California bar so that he could try the case.

2. In December 1986 or January 1987 Flynn informed me that as a result of settlements reached with Scientology on behalf of his other clients and himself he was required to discontinue representing me. He discontinued representing me at that time and returned my retainer.

3. I believe that I and my co-parties were the only clients of Flynn who were adverse to Scientology who did not settle with the Church.

Sworn under penalty of perjury under the laws of the State of California this 6th day of March, 1990.

  
Bent Corydon



DECLARATION OF LAWRENCE E. HELLER

I, LAWRENCE E. HELLER, declare as follows:

1. I am an attorney at law duly licensed to practice before all of the Courts of the State of California and am a principal in the law firm of Turner, Gerstenfeld, Wilk & Tigerman. In said capacity, I am responsible for the defense of the within action on behalf of defendants AUTHOR SERVICES, INC. ("ASI") and BRIDGE PUBLICATIONS, INC. ("BPI"). Furthermore, I was the attorney for ASI with regard to certain settlements in which ASI was a settling party which are referred to in these moving papers. Accordingly, all of the following information is of my own personal knowledge and I am available and competent to personally testify thereto if necessary.

2. I was personally involved in the settlements which are referred to in these moving papers which transpired some two and one-half years ago. Those settlements concerned well over a dozen plaintiff litigants as well as various Church of Scientology entities and other third parties sued as defendants. Those settlements also concerned ASI, a defendant in this matter, which was a co-defendant in one of those many actions. The settlement negotiations which took place stretched over the course of several months, culminating in a multi-week session in a hotel in the city of Los Angeles where most of the lawyers (and some of the parties) involved in litigation met extensively.

3. Settlement negotiations, which were not supervised by any court, were arduous and, as is often the case in these

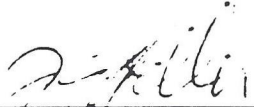


1 instances, sometimes contentious. However, a "universal  
2 settlement" was ultimately entered into between the numerous  
3 parties. The universal settlement provided for non-disclosure  
4 of all facts underlying the litigation as well as non-disclosure  
5 of the terms of the settlements themselves. The non-disclosure  
6 obligations were a key part of the settlement agreements  
7 insisted upon by all parties involved.

8 4. The contractual non-disclosure provisions were the one  
9 issue which was not debated by any of the parties or attorneys  
10 involved. In the last two and one half (2-1/2) years the  
11 settlements have been carried out in good faith by all parties.  
12 I consider my contribution, as well as the contribution of the  
13 other attorneys involved in the settlements, to have been of  
14 great benefit to this and other Courts in that it alleviated  
15 literally months upon months of trial time which would have been  
16 necessary had the settlements not been properly effected.

17 I declare under penalty of perjury that the foregoing is  
18 true and correct.

19 Executed this 12 day of March 1989, at Beverly Hills,  
20 California.

21   
22 Lawrence E. Heller  
23 Declarant  
24  
25  
26  
27  
28



PROOF OF SERVICE BY MAIL

I am a resident of Los Angeles County, am over the age of eighteen, and not a party to the herein address. My business address is P.O. Box 511, Pacific Palisades, California 90272.

On March 6, 1990, I served the within letter to Second District Court of Appeals on the parties by placing a copy of the same in a sealed envelope with postage thereon and placed the same in the United States mail at Pacific Palisades address as follows:

Court of Appeal of the State of California  
Second Appellate District  
Division Four (and three)  
3580 Wilshire Boulevard, Room 301  
Los Angeles CA 90010

Mr. Kendrick Moxon  
Mr. Timothy Bowles  
6255 Sunset Boulevard  
Suite 2000  
Los Angeles CA 90028

Eric M. Lieberman  
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111 N. Hill Street  
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5855 Topanga Canyon Blvd.  
# 400  
Woodland Hills CA 91367

I declare that the above is true under the penalty of perjury. Executed on 3/6/90, at Pacific Palisades, California.

  
FELICIA LANSBURY



TOBY L. PLEVIN  
ATTORNEY AT LAW  
6380 WILSHIRE BLVD., SUITE 1600  
LOS ANGELES, CALIFORNIA 90048  

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(213) 655-3183


March 6, 1990

All Counsel of Record in  
Church of Scientology of California  
v. Gerald Armstrong.  
Appeal No. B 038975  
Appeal No. B 025920

Gentlemen:

Please be advised that the previously mailed copies of letters of this date to Divisions 3 and 4 of the Second District Court of Appeal was not sent to the Court. Enclosed you will find a corrected copy of that letter as mailed to the Court with the exhibits previously forwarded to you.

Very truly yours,

  
Toby L. Plevin